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Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

PAID UP OIL AND GAS LEASE (No Surface Use)

 Δh

THIS LEASE AGREEMENT is ma	de this	day of <u>(</u>	16	_, 2009, by and between	
Tacqueline D. Blo	rck, a singi	e Person			
whose addresss is 13.37 F.O.s and, DALE PROPERTY SERVICES, L.	L.C., 2100 Ross Avenue	, Suite 1870 Dallas	Texas 75201, as Lessee. All printed p	ortions of this lease were pre	as Lessor,
hereinabove named as Lessee, but all of 1. In consideration of a cash both described land, hereinafter called leases	onus in hand paid and th	the completion of blant ne coveriants herein of	k spaces) were prepared jointly by Less ontained, Lessor hereby grants, lease	sor and Lessee. is and lets exclusively to Le	ssee the following
1110			, ~		1.1
	MORE OR LESS, E			, BLOCK	//
OUT OF THE HIGH PARY	X PAPE	ADDANT COUNT	Y, TEXAS, ACCORDING TO F THE PLAT RECORDS OF 1	ON, AN ADDITION TO	THE CITY OF
IN VOLUME 3/0	PAGE	ARRANI GOUNI	IF THE PLAT RECORDS OF 3	TARRANT COUNTY T	FXAS
	,		THE PER NEGOTIDO OF	iradan oodin , i	25010.
in the County of Tarrant, State of TE reversion, prescription or otherwise), fr	van	9		. A ! A. ! . b. I	
reversion, prescription or otherwise), for	or the purpose of exploring	gross acre	s, more or less (including any interests	s therein which Lessor may hi	ereaπer acquire by I non hydrocarbon
substances produced in association the	herewith (including geopl	hysical/seismic operati	ons). The term "gas" as used here	in includes helium, carbon	dioxide and other
commercial gases, as well as hydrocar land now or hereafter owned by Lessor					
Lessor agrees to execute at Lessee's re	equest any additional or su	applemental instrument	s for a more complete or accurate desc	cription of the land so covered	 for the purpose
of determining the amount of any shut-in	1 royalties hereunder, the	number of gross acres	above specified shall be deemed corre	ect, whether actually more or	less.
This lease, which is a 'paid-up as long thereafter as oil or gas or other	" lease requiring no rental	ls, shall be in force for	a primary term of FIVE ((5)years from the d	ate hereof, and for
as long thereafter as oil or gas or other	substances covered here	by are produced in pay	ing quantities from the leased premise	s or from lands pooled therev	with or this lease is
otherwise maintained in effect pursuant 3. Royalties on oit, gas and other		nd saved hereunder sh	all be paid by Lessee to Lessor as foll	lows: (a) For oil and other li	auid bydrocarbons
separated at Lessee's separator faciliti	es, the royalty shall be	IWEK#V- DAVC	(20%) of such pro	eduction, to be delivered at	Lessee's option to
Lessor at the wellhead or to Lessor's cr the wellhead market price then prevaili	edit at the oil purchaser's no in the same field (or i	transportation facilities f there is no such price	s, provided that Lessee shall have the e then prevailing in the same field, the	continuing right to purchase on in the nearest field in whi	such production at chithere is such a
prevailing price) for production of sim	ilar grade and gravity: (b) for gas (including	casing head gas) and all other sub-	stances covered hereby, the	e rovalty shall be
Severance, or other excise taxes and the	_ (<i>_Z_//_/</i>) of the proo e costs incurred by Lesse	eeds realized by Lesse ee in delivering proces	e from the sale thereof, less a proporti sing or otherwise marketing such gas o	ionate part of ad valorem tax or other substances, provided	es and production, I that I essee shall
have the continuing right to purchase su	ich production at the previ	ailing wellhead market	price paid for production of similar qua	lity in the same field (or if the	re is no such price
then prevailing in the same field, then in nearest preceding date as the date on w	n the nearest field in which	there is such a previte nurchases bereund	ailing price) pursuant to comparable p	ourchase contracts entered in	ito on the same or
the leased premises or lands pooled the	rewith are capable of eith	ier producing oil or gas	or other substances covered hereby in	n paying quantities or such w	ells are waiting on
hydraulic fracture stimulation, but such was be producing in paying quantities for the	vell or wells are either shu	at-in or production there	e from is not being sold by Lessee, suc	h well or wells shall neverthe	less be deemed to
being sold by Lessee, then Lessee shall	Il pay shut-in royalty of on	e dollar per acre then	covered by this lease, such payment to	be made to Lessor or to Le	ssor's credit in the
depository designated below, on or befo are shut-in or production there from is	ore the end of said 90-day	period and thereafter	on or before each anniversary of the e	nd of said 90-day period whi	le the well or wells
Lessee from another well or wells on the	e leased premises or land	s pooled therewith, no	shut-in rovalty shall be due until the en	nd of the 90-day period next f	following cessation
of such operations or production. Lesse	e's failure to properly pay	shut-in royalty shall re-	nder Lessee liable for the amount due, or or to Lessor's credit in <u>at lessor's</u>	but shall not operate to termi	nate this lease.
be Lessor's depository agent for receiving	ng payments regardless o	f changes in the owner	ship of said land. All payments or tende	ers may be made in currency	, or by check or by
draft and such payments or tenders to I address known to Lessee shall constitut	Lessor or to the depositor	y by deposit in the US	Mails in a stamped envelope addresse	ed to the depository or to the	Lessor at the last
payment hereunder, Lessor shall, at Les	ssee's request, deliver to L	essee a proper record	able instrument naming another institut	ion as depository agent to re-	ceive payments.
 Except as provided for in Paragone premises or lands pooled therewith, or 	graph 3, above, if Lessee	drills a well which is in	capable of producing in paying quantit	ies (hereinafter called "dry ho	ole") on the leased
pursuant to the provisions of Paragrap	th 6 or the action of any	governmental author	ity, then in the event this lease is no	ot otherwise being maintaine	ed in force it shall
nevertheless remain in force if Lessee of	commences operations for	r reworking an existîng	well or for drilling an additional well or	for otherwise obtaining or re	storing production
on the leased premises or lands pooled the end of the primary term, or at any	time thereafter, this lease	erier completion of ope e is not otherwise bein	mations on such dry note or within 90 d g maintained in force but Lessee is th	lays after such cessation of a ten engaged in drilling, rewo	m production. If at orking or any other
operations reasonably calculated to obta	ain or restore production t	herefrom, this lease sh	all remain in force so long as any one o	or more of such operations a	re prosecuted with
no cessation of more than 90 consecuti	ive days, and if any such	operations result in th	e production of oil or gas or other sub	stances covered hereby, as	long thereafter as

to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein. additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recuming right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision the proportion of unit production on which royalties are payable hereunder shall thereafter leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalities are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filling of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in

there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances

such part of the leased premise:

- 8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or antil Lessee has been unlished the original or ceitined or duly authenticated copies of the accuments establishing such change or ownership to the satisfaction or Lessee or until Lesser has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.
- 9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced
- in accordance with the net acreage interest retained hereunder.

 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary play depth on cultivated lands. No well shall be located less than 200 feet from any house or harn now on the leased writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.
- 11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.
- 12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.
- 13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.
- 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

 15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes,
- mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is n.ade aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.
- Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations
- 17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

 DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on military and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are the sensitive and the sens are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

natory's



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

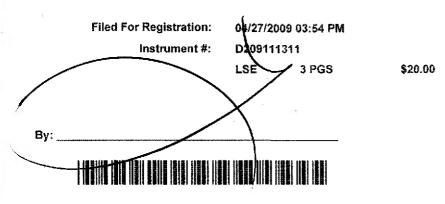
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

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TARRANT COUNTY CLERK
TARRANT COUNTY COURTHOUSE
100 WEST WEATHERFORD
FORT WORTH, TX 76196-0401

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